

**DEPARTMENT OF THE ARMY  
U.S. ARMY CORPS OF ENGINEERS  
FINANCE CENTER  
5722 INTEGRITY DRIVE  
MILLINGTON TENNESSEE 38054-5005**

CEFC-FR  
SOP Number UFC-10

Revised: 26 April 2004

**STANDING OPERATING PROCEDURE  
ACCOUNTS RECEIVABLE/DELINQUENT FOLLOW-UP**

**1. PURPOSE:** This Standing Operating Procedure (SOP) defines the USACE Finance Center (UFC) delinquent accounts receivable follow-up procedures.

**2. APPLICABILITY:** The provisions of this SOP apply to both the UFC and activities supported by the UFC. Accountants and accounting technicians at the UFC, billed activities, and supported activities must interact regularly to effectively manage and reduce delinquent accounts receivable.

**3. REFERENCES:**

- a. ER 37-2-10, Accounting and Reporting – Civil Works Activities.
- b. DFAS-IN 37-1, Finance and Accounting Policy Implementation.
- c. Public Law 97-365, Debt Collection Act of 1982.
- d. Public Law 97-258, Paragraph 1535.
- e. CEFC-F SOP Number UFC-09, FEMA Customer Order & Billing, dated 6 February 2004.
- f. CEFC-F SOP Number UFC-02, Accounts Receivable and Payment of Government Orders, dated 19 April 2004.
- g. CEFC-F SOP Number UFC-04, Huntsville Training Billings, dated 19 April 2004.
- h. DOD Financial Management Regulation, Volume 4, Chapter 3.

**4. DEFINITIONS:**

- a. Account Receivable – any outstanding indebtedness to the United States Government.
- b. DA Form 1857, Statement of Accounts – form generated by Corps of Engineers Financial Management System (CEFMS) as the billing instrument issued to public debtors or for Category A, B, D & E debtors.

- c. Debtor – a person or organization owing payment to the United States government.
- d. SF 1080 or DA Form 4445-R, Voucher for Transfer Between Appropriations or Funds – form used as billing instrument for government debt or for Category C debtors.
- e. Supported Activities – those Corps of Engineers Divisions, Districts, Laboratories, or Field Operating Activities whose operating finance and accounting functions are performed by the UFC.
- f. Category A Debtors – individuals with delinquent debt bills that are subject to salary or administrative offset.
- g. Category B Debtors – Federal Government contractors with delinquent debt bills.
- h. Category C Debtors – other U. S. Army activities, Federal departments or agencies with delinquent debt bills.
- i. Category D Debtors – all other individuals with delinquent debt bills including former civilian employees.
- j. Category E Debtors – all other public debtors including U. S. Army/Air Force Exchange Service, state, local and foreign governments, and private organizations with delinquent debt bills.

## **5. RESPONSIBILITIES:**

a. USACE Finance Center. The Director, USACE Finance Center, through the Deputy Director, Finance, is responsible for:

- (1) Reducing the amount of delinquent accounts receivable owed to the Corps of Engineers.
- (2) Reducing debt between supported activities.
- (3) Performing follow-up action on accounts receivable in the age category of 31 to 150 days delinquent contacting debtors via written (letter or e-mail) and telephone in an effort to resolve and thereby eliminate delinquent accounts receivable. Providing assistance to supported activity in collection efforts for debts over 150 days delinquent.
- (4) Initiating payroll deduction for delinquent travel settlements/advances and some miscellaneous debts bills as required.

(5) Providing feed-back information related to any problems encountered when corrective action appears to be the responsibility of the supported activity.

(6) Determining the waiver status for administrative fees, interest and penalty charges.

b. Supported Activity. Commanders of supported activities are responsible for:

(1) Collecting and/or resolving accounts receivable that are over 150 days delinquent.

(2) Taking corrective action for any database problems encountered by the UFC which impede the timely collection of debts.

(3) Determining the waiver status for administrative fees, interest, and penalty charges.

(4) Initiating payroll deduction for delinquent debts as necessary, providing copy of action to the UFC.

## **6. PROCEDURES:**

a. USACE Finance Center will:

(1) Generate delinquent follow-up letters in CEFMS on the fifth business day each month. All follow-up letters will include the delinquent bill number along with a copy of the referenced bill. The letter will request the voucher number and location where the voucher was processed in the event that it was previously paid. Open items files with all collection activity will be maintained by the UFC and will be available to supported activities on an as-requested basis.

(2) Pursue follow-up or collection action by the presentation of written notice commonly referred to as delinquent follow-up letter and/or telephone request by the following categories:

(a) Category A bills over 30 days old will be submitted to DFAS for payroll offset. Category A bills include, but are not limited to, travel settlements, travel advances, salary overpayments, and health benefit overpayments. One written advice notice will be provided to the individual debtor prior to presentation for payroll offset.

(b) Category B bills that are 31-150 days old will have follow-up letters presented to debtors at monthly intervals. Category B bills include debts owed by U. S. Government contractors that arise from reimbursable support provided to contractor, determinations of pecuniary liability and for government property lost or damaged.

(c) Category C bills that are 61-150 days old will have follow-up letters presented to the debtor's Commander at monthly intervals. Category C bills between UFC supported sites that are 60 days old will be processed for payment without further coordination with the paying office if the obligation exists in CEFMS. Follow-up letters for all Category C bills will be mailed to the address appearing on the bills/letters.

(d) Category D bills that are 31-150 days old will have follow-up letters presented to debtors at monthly intervals. If mail is returned "address unknown" only one collection attempt will be performed by the UFC. Submit SF 2805, Request for Recovery of Debt Due the United States, or OPM 1522, Request for Offset for Past-Due Health Benefits Premiums From Monies Payable Under the Civil Service Retirement System, to the Office of Personnel Management requesting offset from amounts payable from the Civil Service retirement or disability fund.

(e) Category E bills that are 31-150 days old will have follow-up letters presented to debtors at monthly intervals.

(f) Telephone contact will be made on all bills in excess of \$50,000 that are over 90 days old. Documentation will be retained by the UFC and filed in order by the FOA code and bill number.

(g) Provide listing of all bills that are over 150 days old to supported activity.

(3) Suspend follow-up action for bills –

(a) when payroll and/or retirement offset has been initiated and is in place.

(b) related to Water Supply Contracts when a written request identifying specific delinquent bills is received by the Chief, Accounts Receivable/Debt Management Division.

(c) related to Claims Receivable.

(d) on receipt of a written requests from supported activities.

(4) Submit a letter (after adding an administrative fee) with copy of current bill requesting payment for a returned check (account closed, non-sufficient funds) on Revenue Generating Agreements (RGA's). Notify the supported activity Real Estate Division by email (include copy of letter sent to grantee) of the returned check so that appropriate action may be taken.

(5) Submit all returned checks (accounts closed, non-sufficient funds) for Special Recreation Use Fees, Sales of Plans and Specs, and Regulatory Permits to the collection agency contracted by the UFC.

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(6) Provide immediate feedback/requests to the specified points of contact at the supported activities which requires corrective action on their part. Communication methods used may include letters, telephone calls, faxes and email. Such items may include database errors, missing obligations, insufficient funds, and/or incorrect addresses.

b. Supported Activities will:

(1) Validate all bills over 30 days prior to consolidation with the UFC. Provide documentation to support collection action taken on overdue bills (over 30 days delinquent and under 150 days delinquent) to the UFC at the time of consolidation.

(2) Perform follow-up and collection action on delinquent RGA accounts receivable resulting from returned checks (accounts closed, non-sufficient funds) from the RGA lessee. Provide sufficient information, such as SSN, tax ID, current address, and telephone number for the UFC to pursue collections with the IRS.

(3) Provide sufficient information to enable the UFC to make telephonic request(s) for payment of bills that are delinquent more than 90 days and that exceed \$50,000.00 when required information is not available in CEFMS. Needed information includes the name and telephone number of the activity being billed, along with a valid point of contact, usually taken from the customer order or Military Interdepartmental Purchase Request (MIPR).

(4) Take necessary actions to collect and/or resolve all outstanding accounts receivable over 150 days and provide UFC with follow-up actions taken.

(5) Provide documentation for any salary offset initiated by supported activities for accounts receivable.

(6) Take prompt action as necessary to address any problems encountered by UFC which require corrective measures by the supported activity such as the recording of an obligation, cancellation of accruals, or database errors.

(7) Provide written request to the UFC for the suspension of follow-up action for any item that appears as a delinquent accounts receivable when the supported activity does not want follow-up pursued.

(8) Provide monthly accounts receivable aging and delinquent receivable report to the activity commander as required.

(9) Review open accounts receivable monthly. Refer all discrepancies, comments or questions to the Chief, Accounts Receivable/Debt Management Division (CEFC-FR).

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FOR THE DIRECTOR:

JAMES R. GREENE  
Deputy Director, Administration  
USACE Finance Center